REUTERS
30 September 1983

SARASOTA, FLA.
BY STEWART RUSSELL

Former CIA director William Colby believes the greatest threat [redacted] stability over the next decade is not the Soviet Union but the possi[redacted] social and political unrest in debt-ridden Latin American nations.

Colby, who ran the agency from 1973 to 1976, was one of four ex-s[redacted] came in from the cold this week to enjoy the warmth of this Gulf Coa[redacted] and discuss at an investment seminar how East-West hostility affects [redacted] economy.

Asked what he considered the greatest current threat, Colby, now lawyer and consultant, told Reuters in an interview: "The Soviet Uni[redacted] the main problem over the next decade. Right now it's the austerity programs imposed on the Latin countries to meet their IMF (International Monetary Fund) commitments.

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"The question is whether they will be able to meet those commitments without generating social and political unrest. If these should get out of hand, we could have quite a problem."

Colby said he still supported the idea of a verifiable nuclear freeze despite the Soviet downing of a Korean airliner.

"That incident doesn't change my opinion of the Soviets and what kind of people they are," he said. "The fact is that the nuclear freeze becomes even more important as our relations deteriorate."

Colby said the Soviet allegation that the airliner was on a spy mission was "absolute nonsense." Neither the United States nor South Korea had any need to use a civilian plane for such a purpose, he said.

Since their "overreaction," he added, the Soviets had used an old debating trick to try to switch the focus of world debate over the incident.

"Having done something very wrong, shooting down an unarmed plane with lots of innocent people, they've tried to move the discussion from what they did ... to what we (the United States) might have done."

Colby was joined in the public part of the seminar by Soviet defector Vladimir Sakharov, a former KGB officer; George Carver, a 25-year CIA veteran, now retired; and E. Howard Hunt, CIA liaison officer with the Bay of Pigs Cuban exile invasion force and later the coordinator of the Watergate break-in.

Former Newsweek correspondent Arnaud de Borchgrave, co-author of two best-selling anti-Soviet "conspiracy theory" novels -- "The Spike" and "Momimbo" -- completed the panel.

The event was organized by Wood Gundy, a Wall Street and Florida-based investment firm.

Sakharov, who claims to have been a double agent working for the CIA while he headed a KGB operation in the Middle East in the 1970s, said there might have been a "demographic" angle to the Korean airliner incident.

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ARTICLE APPEARED
ON PAGE 5A
WASHINGTON TIMES
21 September 1983

BRIEFLY / Capital

Covert activities bill criticized

Former CIA director William Colby warned Congress yesterday against demanding advance approval of secret military actions.

Testifying before the House Intelligence Committee, Colby said requiring advance congressional authorization of covert CIA operations "will ensure that no clandestine activity of that sort will ever take place."

Colby criticized as unwise a bill introduced by Rep. Wyche Fowler Jr., D-Ga., calling for advance approval of covert operations. The former CIA chief suggested instead that Congress threaten the intelligence agency with budget cuts to stop undesirable covert military actions.

PHILADELPHIA INQUIRER
21 September 1983

CIA supporters fight bill to control covert actions

By Elmer W. Lammi
United Press International

WASHINGTON — Former CIA director William E. Colby suggested yesterday that Congress threaten the intelligence agency with budget cuts to stop secret military actions of which it disapproves, rather than demanding advance approval.

Testifying before the House Intelligence Committee, Colby said requiring advance congressional authorization of covert CIA operations "will ensure that no clandestine activity of that sort will ever take place."

Colby, who is now with a Washington law firm, criticized as unwise a bill introduced by Rep. Wyche Fowler Jr. (D., Ga.) calling for advance approval of covert operations, but said the bill was "probably constitutional."

Rep. G. William Whitehurst (R., Va.), a ranking member of the panel, and Richard Larkin, a retired Army general who was a former deputy director of the CIA, both contended that Fowler's legislation would be an unconstitutional restriction on the powers of the president.

Larkin, who heads the 3,500-member Association of Former Intelligence Officers, said Fowler's proposals "do not serve the ultimate purpose of strengthening the American hand against the tough — yes, and ruthless — opposition we face in our intelligence operations abroad."

Colby and Larkin testified at the opening of three days of hearings called in response to congressional concerns over covert U.S. activities in support of Nicaraguan insurgents.

Fowler is the author of three bills calling for tougher congressional controls on the CIA and other intelligence agencies.

He said one bill would require "explicit authorization" for clandestine paramilitary or military actions unless the president finds "extraordinary circumstances" affecting vital U.S. interests.

Opening the hearing, committee chairman Edward P. Boland (D., Mass.) said Congress could do little to prevent the President from authorizing covert activities except by "publicly exposing" them. While Congress could cut off funding, he said, this would have no effect until the following fiscal year.

But Colby, warning against "unnecessary restrictions," suggested that Congress rein in the CIA by telling its director "we're going to take it out of your hide" by cutting his budget 10 times the cost of any objectionable operation. "That will get his attention," Colby promised.

The suggestion was sharply criticized by Fowler, who accused Colby of being "facetious" in suggesting such "blackmailing" of the CIA.

But Colby insisted, "It's not that far out an idea."

ARTICLE APPEARED
ON PAGE A-29

WASHINGTON POST
21 September 1983

New Justification For U.S. Activity in Nicaragua Offered

By Joanne Omang
Washington Post Staff Writer

Secretary of State George P. Shultz and CIA Director William J. Casey offered Congress a new justification for covert U.S. activity in Nicaragua yesterday, stating that its purpose is to pressure the leftist Sandinista government into stopping its efforts to export revolution.

Sources familiar with the closed-door presentation to members of the Senate Intelligence Committee said the new "finding" is a significant shift in emphasis from previous administration explanations that covert U.S. aid to anti-Sandinista rebels was aimed at stopping the flow of arms from the Sandinistas to leftist guerrillas in El Salvador.

Instead, the sources said, the action will now be justified as necessary as long as Nicaragua continues to help guerrillas elsewhere in Central America.

The new justification, first reported by The Washington Post in July, is consistent with recent Reagan administration demands that the Sandinistas change their overall behavior in Central America. The administration has vehemently denied that it supports the avowed goal of the anti-Sandinista rebels to overthrow the Nicaraguan government.

In a statement after yesterday's three-hour meeting, Intelligence Committee Chairman Barry Goldwater (R-Ariz.) said he expects the committee to decide whether to approve the new finding by the end of the week. Approval would put before the Senate the question of continuing the estimated $80 million program of aid to anti-Sandinista rebel forces.

The committee voted last May to continue funds for covert action in Nicaragua after Oct. 1 only if President Reagan provided "a redefined position on Central America," Goldwater said at the time. "We want him to tell us in plain language just what it is he wants to do relative to Nicaragua and the other countries."

The sources said yesterday's meeting was "not heated" despite the presence of several prominent administration critics and some "very tough questioning." They said committee members "seemed inclined to support the proposal."

In the House side, former CIA director William E. Colby urged the Intelligence Committee to reject proposed new curbs on the agency's covert actions abroad. If Congress has problems keeping track of what the agency is doing, he said, "you have to take a two-by-four to the head of the mule . . . , but I don't think this is the two-by-four."

Colby was the opening witness at three days of committee hearings on legislation sponsored by Rep. Wyche Fowler Jr. (D-Ga.) that would require the administration to give prior notification to the House and Senate Intelligence committees of any covert action and would give them a veto power over it. Existing law requires only that Congress be "fully and currently informed" of "significant" activity, and offers no remedy other than a fund cutoff after the fact.

Covert action also would have to be preceded by a written presidential finding to the committees that the action is essential to U.S. security, consistent with public U.S. foreign policy, and needed despite its risks because extraordinary circumstances mean that overt or less sensitive tactics cannot accomplish the goal. Wartime operations would be exempt from the restrictions.

These provisions, Colby said, "will ensure that no clandestine activity . . . will ever take place." Colby, who was CIA director from 1973 to 1976, said he had no quarrel with the imposition of standards upon the beginning of a covert action and said Fowler's proposals were "very good" standards.

"My only question is whether you want to absolutely set them into legal concrete," he said.

ARTICLE APPEARED ON PAGE A-4
NEW YORK TIMES
14 September 1983
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Reagan Directive on Secrecy Criticized by Ex-Carter Aide

By RICHARD HALLORAN
Special to The New York Times

WASHINGTON, Sept. 13 — Lloyd Cutler, who was the senior White House counselor to President Carter, criticized the Reagan Administration today for seeking to censor books on national security by former policy-making officials of the Government.

Mr. Cutler, a prominent lawyer here, said that a recent order by President Reagan intended to stop disclosure of classified, or secret, information "does not strike a reasonable balance" between Government needs for secrecy and the right of officials to speak out.

Mr. Cutler's testimony ran contrary to that of representatives from the Justice, State and Defense Departments, and from the National Security Agency, before a Senate committee whose members expressed skepticism of Mr. Reagan's extensive efforts to clamp down on the release of Government information.

Mr. Cutler's criticisms were supported by Noel Gayler, a retired admiral and onetime head of the National Security Agency, responsible for signals intelligence, who contended that such controls should be applied selectively to protect sensitive information such as codes.

Support and Opposition

On the other side, William E. Colby, who said he had been on both sides of the issue as Director of Central Intelligence and then as an author subjected to Government censorship, urged "a clear criminal sanction for the unauthorized disclosure of classified information."

In addition, Prof. David Lykken of the University of Minnesota Medical School testified that polygraph, or lie-detector, tests proposed by the Administration were unreliable. He said they would not only threaten the careers of officials but also drive talented people from Government service.

The Government officials who testified today defended a Presidential order six months ago as necessary for national security and asserted that the use of polygraphs would be carefully regulated and not permitted to be the sole tool for investigations.

The order, National Security Decision Directive 84, would permit the Government to review written works by former officials before publication, to control contacts between officials and the press and to use polygraphs to investigate unauthorized disclosures.

Warning From Mathias

Senator Charles McC. Mathias Jr., Republican of Maryland, opened the hearing before the Committee on Governmental Affairs by contending that the directive would consign senior Government officials "to a virtual vow of silence on some of the crucial issues facing our nation."

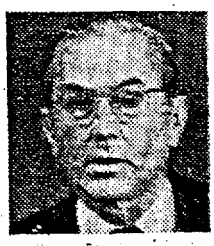
Mr. Mathias softened his criticism by adding, "I am confident that this chilling scenario, so antithetical to our most cherished values, is not what the President intended." He urged that the directive be clarified "so that these public servants need not forever fear that they speak or write on public affairs at their peril."

Mr. Cutler suggested that a distinction be drawn between producers of intelligence, such as officials of the C.I.A., and consumers of intelligence, such as Cabinet officers and other top Administration officials.

ON PAGE 2
CHRISTIAN SCIENCE MONITOR
14 September 1983

The news-briefly

Colby suggests jail terms for those leaking secrets



Washington

William Colby, former CIA director, said government officials who disclose classified information should be subject to criminal penalties.

Mr. Colby made the recommendation Tuesday at a hearing of the Senate Government Operations Committee, which is reviewing President Reagan's national-security directive issued last April. The order requires prepublication review of any material written by former government officials with access to classified information and allows the use of lie detectors to investigate leaks.

Several committee members said they were concerned the order would conflict with the freedom of the press provisions of the Constitution and limit public information about government activities.

STATINTL [redacted]

REUTERS
13 September 1983

WASHINGTON
COLBY

William Colby, former director of the Central Intelligence Agency (CIA) , said today that government officials who disclose classified information should be subject to criminal penalties.

Colby made the recommendation at a hearing of the Senate Government Operations Committee, which is reviewing President Reagan's national security directive 84, issued last April.

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Several committee members said they were concerned the order would conflict with the freedom of the press provisions of the Constitution and would limit public information about government activities.

Colby said a law against disclosure of top secret material could be written so that it would have only a limited impact on the news media and the public's access to information.

"It would seem that a proper statute could be drawn which would not have too broad an impact but would still have the main function of deterring some of the more outrageous leaks and disclosures that go on in our government," Colby said.

He said leaks of secret material should be a misdemeanor while disclosure of top secret information should be a felony.

Colby said he submitted his own book in advance for CIA review and had material about an intelligence operation deleted. He was later fined because one edition of the book was published by mistake with the deleted material.

A Justice Department official told the committee the CIA had reviewed about 900 publications in advance over the past five years and removed classified material in about 250 cases.

"A regime of prepublication review -- that prior restraint to which the framers of our Constitution were so unremittingly hostile -- must be limited to those situations in which it is demonstrably needed to preserve the government's most sensitive secrets," Maryland Republican Charles Mathias said.

13 September 1983

WASHINGTON
SECURITY LEAKS
BY DAVE GOELLER

Members of the Senate Governmental Affairs Committee, echoing the sentiments of two House subcommittee chairmen, urged the Reagan administration Tuesday to delay new regulations designed to plug leaks of classified information.

"What is troubling us is the broad scope, the broad sweep of this directive," Sen. Thomas Eagleton, D-Mo., told representatives from the Justice, Defense and State departments at the first Senate hearing on the six-month-old proposal.

Eagleton and Sens. Charles McC. Mathias, R-Md., and Jeff Bingaman, D-N.M., took specific aim at a section of the plan that would affect what administration witnesses estimated to be more than 100,000 fegeral officials with access to secret Sensitive Compartmented Information.

Under the plan, those officials would have to sign a statement agreeing to pre-publication review of their writings _ either while in active service or after they leave the government.

"A broad interpretation of the president's directive would consign these thousands of men and women ... to a virtual vow of silence on some of the crucial issues facing our nation," Mathias said. "That silence could only be broken with the approval of the federal government."

Calling this a "chilling scenario," Mathias said the administration has been able to cite only one specific instance in the past five years when pre-publication review would have prevented release of classified information.

"Is such an extension of the (information security) system justified when there is such slender evidence?" said Mathias, who chaired the hearing.

"This is a very complex issue," Mathias said. "I would hope you would consider some delay in full implementation to give Congress a chance to comment."

This request, supported by Bingaman and Eagleton, came six days after a similar plea was made to the White House by Reps. Don Edwards, D-Calif., chairman of the Judiciary civil and constitutional rights subcommittee, and Patricia Schroeder, D-Colo., chairman of the civil service subcommittee of the Post Office and Civil Service Committee.

Defending the proposed directive, Richard K. Willard, a deputy assistant attorney general in the Justice Department's civil division, said that "unauthorized disclosures of classified information appear in the media with startling frequency."

He said the prepublication review plan would "not permit the government to censor material because it is embarrassing or critical."

Three former high-ranking officials had mixed views about the plan.

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UNITED PRESS INTERNATIONAL
19 September 1983

ST. LOUIS
FORMER CIA HEADS SAY TOO MUCH INTELLIGENCE MAY HAVE BEEN GIVEN

Two former Central Intelligence Agency heads say the release of information about the downed Korean airliner is the largest disclosure of U.S. intelligence capabilities in at least 20 years, a newspaper reported.

In a copyright story in the St. Louis Post-Dispatch's Sunday editions, the two former directors expressed worries the administration may have broached national security details previously not discussed in public.

''It is as high a release as we have seen since the Cuban Missile Crisis'' of 1962, James R. Schlesinger said. He was CIA head and secretary of defense during the administrations of Presidents Richard M. Nixon and Gerald R. Ford.

''This was a deliberate decision to release more intelligence details than had ever been released before,'' said Adm. Stansfield Turner, CIA director under President Jimmy Carter.

He said reports out of Japan indicate the Soviet Union already has moved to limit the sort of eavesdropping that produced the tape recording of Soviet pilots chasing and shooting down the Korean Air Lies Boeing 747. The plane is presumed to have crashed with 269 persons aboard Sept. 1.

Soviet officials probably had been aware western intelligence sources could intercept non-coded radio messages, Turner said.

''But it's a lot different to disclose a specific capability,'' Turner said. ''These people have said that at this time in this place, we intercepted this message.''

Although administration officials attributed the recording to Japanese intelligence sources, they have sometimes indicated the United States has its own intelligence confirming the attack, the Post-Dispatch said.

For example, White House spokesman Larry Speakes last week said the administration had evidence beyond the tapes proving the Soviets could not have confused the plane with a U.S. spy jet.

He also suggested the government had access to recordings of the voices of Soviet ground controllers but later denied U.S. possession of any such tapes.

The administration had to acknowledge publicly for the first time that U.S. reconnaissance jets routinely patrol near the Soviet coast and that one of the jets had crossed the Korean airliner's path.

By the time Speakes was refusing to answer any more questions about those jets, it was too late, intelligence experts told the Post-Dispatch.

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ON PAGE A-11

NEW YORK TIMES
12 September 1983

Soviet Viewed as Intent On Justification at Home

By HEDRICK W. SMITH
Special to The New York Times

WASHINGTON, Sept. 11 — The Soviet Union's refusal to accept blame for downing the Korean airliner has not only angered Administration officials but persuaded analysts here that the Kremlin cares more about justifying the actions of its armed forces to its own people and allies than about its credibility and image abroad.

From the standpoint of Soviet foreign policy, American specialists reason, shooting down an unarmed commercial plane and then saying it was on a spying mission makes little sense because it fuels confrontation with the West and undercuts the peace offensive of the Soviet leader, Yuri V. Andropov, especially in Western Europe.

Officials here regard the extraordinary news conference Friday of Marshal Nikolai V. Ogarkov, chief of the Soviet General Staff, as evidence Moscow has been stung by Western charges and is concerned it has so far come off poorly in the struggle for world opinion, but not enough to admit responsibility.

A week ago the Soviet press was implying that a Soviet fighter pilot had mistaken the Korean civilian Boeing 747 for an RC-135, an American military reconnaissance plane. But within 48 hours the Soviet line hardened and on Friday Marshal Ogarkov said the decision to shoot down the plane was "not an accident or an error."

'All Kinds of Insecurities'

Government specialists calculate that in the face of Western protests and reprisals, Mr. Andropov and other political leaders could not risk bowing to Western pressures, especially in this transitional period of a new leadership, when the political influence of the Soviet military establishment is greater than normal.

"An incident like this raises all kinds of insecurities in the Soviet leadership, both before the world audience and before the domestic audience, the domestic being more important," a Government official said.

"The most important thing to them is that the acts of the Soviet military appear to be legitimate and appropriate," this analyst added. "They don't want their own people to think they have done something unjustifiable, like wantonly shooting down an airliner."

Soon after the plane was downed, one fear in Washington was that Soviet political leaders might have ordered the action, as former Secretary of State Henry A. Kissinger put it, "to make a point of ruthlessness" just before the scheduled meeting in Madrid of Secretary of State George P. Shultz and the Soviet Foreign Minister, Andrei A. Gromyko.

Former Officials' Views

But after Marshal Ogarkov's news conference, the prevalent view here is that the order to shoot down the plane was given by a regional military commander under tough standing procedures for dealing with air intrusions, though American officials assume Soviet military beadquarters in Moscow was told and could have intervened.

Former officials like Admiral Stansfield Turner, the Director of Central Intelligence under President Carter, and Adm. Bobby Inman, deputy C.I.A. director in the first two years of the Reagan Administration, said they believed the Soviet Union toughened its air defense procedures after another Korean airliner intruded 1,000 miles into Soviet airspace in 1978. That incident embarrassed the Kremlin, these officials said, causing increased aggressiveness among regional air defense commands.

American analysts also believe Mr. Andropov was out of Moscow at the time of the incident, on vacation in the northern Caucusus, and that Konstantin U. Chernenko, the second-ranking figure in the Soviet political hierarchy, may also have been away undergoing medical treatment. He has not been seen publicly for a few months.

The Soviet version of events prompted a question to Marshal Ogarkov about whether Soviet regional commanders "could start a war" with the United States. American officials said they doubted that regional commanders would have authority to launch offensive nuclear missiles.

Accidental Warfare Feared

But the Soviet failure to identify a civilian aircraft properly did add to worries here about the dangers of accidental warfare through misinterpretation of radar and electronic data.

Nonetheless the incident has caused no fundamental reapprisal of American policy, though it did disrupt the slight mending course in Soviet-American relations. Generally the White House feels confirmed in its view, as one official put it, that the Soviet system is "a brutal regime that relies on military force and intimidation," and must be met by American stgrength.

While the Administration intends to press its case against Moscow, experienced officials acknowledge it would be "out of character" for the Kremlin to admit a mistake and pay compensation. One hope here is that the propaganda setback may cause the Kremlin to be more careful in the future, though its public toughness leaves doubts on that score.

William E. Colby, a former Director of Central Intelligence, suggested Soviet political leaders may want to be more cautious in such cases.

Uncertain About Next Moves

Administration officials say they are uncertain how Mr. Andropov will now move. Officials noted that while he has backed the Soviet military he has kept his distance from the event, unlike former Prime Minister Nikita S. Khrushchev, who engaged in personal polemics after the American U-2 was downed over the Soviet Union in 1960.

Some officials said they believed a prolonged and acrimonious stalemate over the incident would prevent progress in other areas. But others speculated this dispute might persuade Mr. Andropov of the need for new gestures on arms control to try to recoup and rekindle West European opposition to deploying American missiles in Europe this fall.

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What Soviets may have feared

U.S. intelligence officials: Jet was downed near secret missile site

By Frank Greve
Inquirer Washington Bureau

WASHINGTON — The area where Soviet interceptors shot down an off-course Korean Air Lines passenger jet contains testing and research sites for a secret missile system capable of destroying U.S. nuclear missiles in midair.

Soviet sensitivity about the project may provide one insight into any Soviet rationale for alleging that the Korean plane with 269 aboard was on an intelligence mission for the United States. Another insight into that thinking arises from evidence that the Soviet Union and other countries use commercial aircraft for spying. The Soviets have offered no proof of their spying allegations, and U.S. officials have repeatedly denied them.

The new Soviet missile, if perfected, could counter the MX and other U.S. ballistic missiles, according to present and former members of the U.S. intelligence commuity. The missiles deployment would violate nuclear-arms control treaties between the United States and Soviet Union.

Work on the missile system at sites on the Kamchatka Peninsula and Sakhalin Island has been shrouded — sometimes with sliding roofs and tarpaulins — to conceal it from U.S. satellites. One government official with close ties to the U.S. military intelligence community described as "extravagant" recent U.S. attempts to learn more about the missile and its targeting radar.

Details of the new Soviet anti-ballistic missile program and accounts of the use of commercial airliners for spying by some nations were obtained in interviews over the last several days with the current and former U.S. intelligence officials. Because of the sensitivity of the information, many refused to be identified by name, and some would speak only on a "deep background" basis.

The missile system is said to involve an upgraded version of the SA-12, which is intended for use against U.S. cruise missiles.

The Defense Department's catalogue of Soviet military advances, Soviet Military Power, issued in March, does not refer to the SA-12 by name. But it does state, "Of particular note is the development of a new surface-to-air missile with enhanced low-altitude capabilities and with the potential to defend against tactical ballistic missiles."

Aviation Week, a magazine that often contains authoritative Pentagon information that has been leaked, describes the SA-12 as having a range of 55 nautical miles, a maximum altitude of 100,000 feet and a reaction time of under five seconds. Its capabilities have led to suspicion that the SA-12 is intended as an anti-ballistic missile, according to Aviation Week.

The new model, being worked upon at sites on Kamchatka and Sakhalin, is reported to feature enhanced range and improved, faster-acting radar, which would make it an even stronger possibility as an ABM system intended to track and destroy incoming ballistic missiles, including the MX.

Wide deployment of a working ABM system by one superpower would alter the balance of power by taking away the ability of the other side to retaliate effectively with its intercontinental ballistic missile arsenal. Also, such an additional deployment would violate the 1972 U.S.-Soviet arms accord, which, after amendment in 1974, permits each nation one ABM system around the nations' capitals.

The United States currently has no ABM sites because of the U.S. belief that it could launch its ICBMs before they are attacked by the Soviet Union, which has scaled down ABM system in the Moscow vicinty.

Star Wars speech

The new missile system is considered so important by the top levels of the U.S. government, according to one intelligence source, that it helped inspire President Reagan's so-called Star Wars speech in May. At that time, he said that development of a space-based system to shoot down Soviet ICBMs would become a top defense priority of his administration.

The antennae and service modules of the system that is being developed by the Soviets have been concealed from satellites flying on known orbits, according to intelligence sources, making it difficult to determine the system's capabilities and stage of development.

Although the Soviets may believe that civilain airliners are used by various countries as spy planes, al-

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